

## Housing FAQ

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### Homeowners

#### **I'm concerned I can't pay my mortgage, what should I do?**

Under the CARES Act, borrowers with a Federally backed mortgage loan (Fannie Mae, Freddie Mac, FHA, USDA, VA etc.) experiencing a financial hardship due to the COVID-19 emergency may request a forbearance. Borrowers should contact their mortgage servicer directly (the institution they make payments to) to discuss their specific situation. The Consumer Finance Protection Agency (CFPB) has also published a [Guide to coronavirus mortgage relief options](#) that may be a helpful resource.

#### **Are there special loss mitigation program options available to borrowers who may be negatively impacted by the Coronavirus?**

Loss mitigation options provide solutions for distressed borrowers – including those that could be impacted by the Coronavirus. Borrowers should contact their mortgage servicer directly (the institution they make payments to) to discuss their specific situation. Montana Housing is only able to assist Montana Housing borrowers.

Montana Housing borrowers can find information about the CARES Act forbearance program on our [website](#). Detailed FAQs on existing loss mitigation options for Montana Housing borrowers are also available on our [website](#).

### Governor Bullock's March 31, April 13 Consumer Protection Directives

[Read the April 13 Directive here](#)

[Read the March 31 Directive here](#)

#### **Can you protect rent against increases?**

Housing Credit properties cannot increase rent by more than 5 percent on an annual basis. Under the governor's Directive effective through April 24, all other private landlords may not increase the amount of rent payable under the terms of a rental agreement (except previously agreed increases or reasonable increases reflecting the size of the unit, number of tenants or guests, or services provided by the landlord).

#### **Is assistance available for landlords to continue paying their own mortgages if tenants aren't paying rent?**

Tenants are not relieved of their obligation to pay rent.

At this time, there are no state dollars available to help residential landlords pay their mortgages. We recommend that you immediately contact your mortgage servicer to find out if loan forbearance is an option, or if your lender has a program in place to help get through this unprecedented situation.

Under SEC. 4023 of the CARES Act, owners of multifamily properties with federally backed loans can request a forbearance on residential mortgage loan payments.

**I can't continue to pay my own bills if my rental income is not coming in. How do you expect landlords to weather this?**

The Directive specifies that while some landlords may have resources to absorb the loss of payments for a longer period of time, others may not. Given the current emergency condition requiring social distancing and quarantining to reduce spread of the coronavirus, preventing the loss of homes is critical.

In crafting this directive, thoughtful consideration was given to recognize and minimize the potential negative impacts of such protections on landlords and other parties to rental agreements and mortgages. Therefore, the directive is currently effective through April 24 but with the ability to extend if warranted by this rapidly changing public health emergency. In addition, the state continues to explore all policy options to support tenants and landlords.

**My tenant hasn't paid rent in three months and I must evict them. Does this directive prevent me from continuing that process?**

Yes. The directive does prevent actions for termination of a tenancy, possession, unlawful holdover, or rent involving a residential tenancy. In addition, no writ, judgment, or order requiring a tenant or authorized guest to surrender or vacate the premises shall be enforced. The Governor has requested the courts of the state to stay all currently pending actions.

**My landlord doesn't care about this directive and has evicted me anyway, what should I do?**

We recommend contacting the Montana Legal Services Association.

**Does this directive apply to vacant or abandoned rental units or homes?**

No. The directive does not apply to eviction actions taken or made after the tenant (including tenant family members) is no longer in possession and no longer occupies the dwelling unit personally as their home. Nor does the directive apply to any foreclosure action made after the borrower (or other debtor including family members) is no longer in possession and no longer occupies the residential property personally as their primary home.

**Does this directive apply to commercial properties?**

No.

## Emergency Housing Assistance Program

**I'm not able to pay my rent due to a decrease or loss of income related to the COVID-19 emergency. What should I do?**

Please contact your landlord to work out a solution if you are not able to pay rent or pay rent in full. Tenants are strongly encouraged to utilize financial resources that may be forthcoming, such as unemployment benefits or stimulus check, to stay current on rent obligations.

An Emergency Housing Assistance program launched on April 17 to support families hardest-hit by COVID-19.

### **Who is eligible for rental assistance through the new Emergency Housing Assistance program?**

The initial eligible applicant pool is limited to Temporary Assistance for Needy Families or TANF eligible households with children who have suffered a substantial loss of income due to COVID-19. For example, a family of four must have a monthly income of \$4,367 or less, children under 18-years-old, and a household resource limit of \$3,000 or less. For complete eligibility guidelines, visit

[HOUSING@MT.GOV/RENTAL-HOUSING/COVIDHOUSINGASSIST](mailto:HOUSING@MT.GOV/RENTAL-HOUSING/COVIDHOUSINGASSIST)

### **How do I apply for assistance?**

The Emergency Housing Assistance application is posted on the Montana Housing website.

[HOUSING@MT.GOV/RENTAL-HOUSING/COVIDHOUSINGASSIST](mailto:HOUSING@MT.GOV/RENTAL-HOUSING/COVIDHOUSINGASSIST). Interested applicants must submit a completed application with attachments to [COVID19HousingAssist@mt.gov](mailto:COVID19HousingAssist@mt.gov) or mail to Montana Housing / P.O. Box 200528 / Helena, MT 59620-0550. Upon receipt of the tenant's application, Montana Housing will mail or email the Landlord Verification and Certification, W-9 and Electronic Fund Transfer Sign Up forms to landlord/property owner listed on the applicant's Release of Information.

### **What is the assistance maximum?**

Eligible applicants may receive one month of emergency rent assistance, with subsequent month(s) of rent assistance contingent on completion of a monthly *Housing Assistance Self-Certification* form attesting to the need for on-going assistance, and subject to available funding.

Estimating an average monthly rent of \$1,000 for two months, Montana Housing will be able to assist approximately 200 families with the current available funds. Additional funds may be added to the program.

### **Will I be paid directly? How quickly will I be paid?**

Montana Housing will issue rent or security deposit assistance payments directly to the landlord or property owner.

Once Montana Housing has received a complete application (including all required forms and attachments from both the tenant and landlord/property owner) we will strive to review within five (5) business days.

Once an application is approved, payment via Electronic Fund Transfer (EFT) will take approximately 5 business days. Payment via check will take approximately 10–14 business days. We encourage landlords/property owners to sign up for EFT.

**What is the funding source used to pay renters?**

The program uses approximately \$430,000 in TANF funds allocated to Montana Housing for emergency housing assistance, including rent and security deposit assistance to support TANF eligible households to stay in their homes or obtain housing.

Additional funding sources may be added to the program.

**How do I contact Montana Housing about this program?**

To request emergency rent or security deposit assistance, Montana Housing must receive completed *Emergency Housing Assistance Application* and *Release of Information* forms, along with application documentation from the tenant.

Tenants can call 406.841.2841 (TDD 406.841.2702 or Toll Free 800.761.6264) to request these forms by mail, or email [COVID19HousingAssist@mt.gov](mailto:COVID19HousingAssist@mt.gov). These forms are also available on our website at [HOUSING@MT.GOV/RENTAL-HOUSING/COVIDHOUSINGASSIST](https://HOUSING@MT.GOV/RENTAL-HOUSING/COVIDHOUSINGASSIST).

**Are stimulus checks under the CARES Act counted as household income or toward the \$3,000 readily available asset limit?**

Household stimulus payments are not included in calculations of income or toward the asset limit.

**Is unemployment insurance counted as household income?**

Regular payments of unemployment insurance issued by the state of Montana are treated as income. However, the temporary \$600 per week federal enhancement to unemployment insurance provided by the CARES Act will not be included in calculations of income.

## Eviction Restrictions

**Are all tenants covered under the temporary halt on residential evictions?**

No. The limitation on residential evictions only applies under specific circumstances, such as the tenant suffering a substantial loss of income due to COVID-19, a requirement to self-quarantine due to a COVID-19 diagnosis, tenants over 65 and those experiencing a health condition that places his/her at enhanced risk for COVID-19. Please refer to the Directive for complete details.

**If I've suffered a loss of income due to COVID-19 and am unable to pay my rent. Do I need to provide documentation to my landlord?**

Yes. Tenants who meet one of the circumstances outlined in the April 13 Directive, such as substantial loss of income, must notify their landlord or property owner. The landlord or property owner may ask tenants to provide "reasonably available supporting documentation of their need for relief." Tenants should provide this supporting documentation as promptly as feasible. Supporting documentation could

include a letter or email from an employer verifying job loss or cut hours, or recent paystubs showing a substantial loss of income. It is recommended that landlords be flexible to accommodate self-certification of substantial loss of income, in the event the employer is unavailable, unresponsive and in cases of self-employment or independent contractor status.

**I am quarantined due to a COVID-19 diagnosis or required to self-quarantine. What documentation do I provide my landlord?**

Tenants required to quarantine based on their diagnosis of COVID-19, or required to self-quarantine for reasons outlined in the Directive, are not required to provide health diagnosis information that is privacy protected to their landlord or property owner. The tenants can self-certifying to their landlord or property owner that they are “required to quarantine or self-quarantine”. If documentation from a health care provider is “reasonably available”, the tenant can supply that documentation to the landlord. Health care provider documentation can affirm the requirement to quarantine, but should not include diagnosis information.

**I am over age 65 and/or have a health condition that places me at enhanced risk for COVID-19. What documentation do I provide my landlord?**

Tenants are not required to provide health diagnosis information that is privacy protected to their landlord or property owner. The tenants can self-certifying to their landlord or property owner that they “have a health condition that places me at enhanced risk for COVID-19”. If documentation from a health care provider is “reasonably available”, the tenant can supply that documentation to the landlord. Health care provider documentation can affirm the existence of a health condition that places the tenant at enhanced risk for COVID-19, but should not include diagnosis information.

**Can landlords require tenants to notify them when income goes back up, e.g. severance pay received or starts receiving unemployment checks?**

The Directive does not relieve a tenant’s obligation to pay rent. It is recommended that tenants remain in contact with their landlords and keep them informed about their situation. As a tenant’s financial hardship is lessened due to increases of income, tenants could discuss options for a payment plan with their landlord or make other efforts to become current on rent obligations. Landlords are encouraged to be flexible in working with tenants.

**Does “reasonably available supporting documentation of their need for relief” require tenants to provide communication to landlords in writing or complete specific forms required by their landlord?**

The most important thing is that the tenant communicates with the landlord or property owner promptly. The Directive does not specify the form of communication (i.e. email, phone, text or mail). Landlords are encouraged to be flexible in working with tenants and refrain from prescribing any particular form of communication or particular document that must be completed.